

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA)

v.)

STEPHEN A. KOSTELAC)

Criminal No. 06-412

(29 U.S.C. § 501(c))

INDICTMENT

The Grand Jury charges:

At all times material to this Indictment:

1. Boilermakers Local Lodge 906, of the AFL-CIO, Donora, Pennsylvania, was a labor organization as defined by the Labor-Management Reporting and Disclosure Act of 1959, 29 United States Code, Section 401 *et. seq.* (LMRDA);

2. Local Lodge 906 negotiated and maintained a collective bargaining agreement with Aquatech International of Canonsburg, PA, within the Western District of Pennsylvania;

3. The defendant, STEPHEN A. KOSTELAC, served as secretary treasurer of Local Lodge 906 and as such was responsible to collect union dues from members, deposit those dues into the union checking account, use those funds for appropriate union purposes and report the dues collected and dispersed to the International Union;

4. Local Lodge 906 maintained a checking account for the necessary and ordinary financial needs of the organization at

Mellon/Citizens National Bank of Pennsylvania, at the Donora branch office;

5. Defendant STEPHEN A. KOSTELAC maintained a personal checking account at Mellon/Citizens National Bank;

6. During the period from January of 2000 through June of 2002 the defendant, STEPHEN A. KOSTELAC, engaged in a practice of collecting union dues from members of Local Lodge 906 and depositing the collected amounts into his personal account at Mellon/Citizen's National Bank instead of to the authorized union bank account. He kept a substantial part of the union dues collected in his own account and spent those monies on his own personal expenses. He also falsified reports to the International Union, or caused falsification of those reports, concerning the amount of dues collected and the disposition of those monies.

COUNTS ONE THROUGH SIXTEEN

7. The matters set forth above at paragraphs one through six are hereby re-alleged and incorporated by reference as though fully set forth herein.

8. On or about the dates listed below, within the Western District of Pennsylvania, the defendant, STEPHEN A. KOSTELAC, then acting as secretary-treasurer of Local Lodge 906 of the Boilermakers, AFL-CIO, a labor organization engaged in an industry affecting commerce, did embezzle, steal, and unlawfully and willfully abstract and convert to his own use the moneys, funds, securities, property and other assets of said labor


organization in the approximate amounts listed below, each identified date and amount representing a separate deposit to his own account of union funds and each a separate count:

COUNT	DATE	AMOUNT
1	12-05-01	495.15
2	12-18-01	895.64
3	01-03-02	418.55
4	01-14-02	580.60
5	01-29-02	845.50
6	02-11-02	822.85
7	02-26-02	1070.40
8	03-12-02	1082.01
9	03-22-02	1371.65
10	04-12-02	1093.85
11	04-23-02	1032.80
12	04-30-02	691.42
13	05-10-02	903.70
14	05-30-02	815.05
15	06-11-02	683.05
16	06-28-02	946.00

All in violation of Title 29, United States Code, Section 501(c).

A TRUE BILL

Foreperson



MARY BETH BUCHANAN
United States Attorney
PA ID No. 50254